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CENTRAL INTELLIGENCE AGENCY REPORT NO. Approved For Release 2001/11/26: CIA-RDP82-00457R006300160003-6 INFORMATION REPORT

CD NO.

25X1A

COUNTRY

- Rora/Argentina

CONFIDENTIAL

DATE DISTR. 28 NOV 50

SUBJECT

Visit of Argentine Minister of

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Transportation to Peru

PLACE ACQUIRED NO. OF ENCLS.

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- 1. The visit to Poru of the Argentine Minister of Transportation, Colonel Juan Francisco Castro, was reportedly concerned chiefly with Poru's ability to comply with certain secret provisions of the Argentina-Peru commercial treaty which accord mutually preferential treatment in the event of war. Castro arrived in Lima from Pexico City on 29 October 1950 and has held conferences with Peruvian President Manuel Odria, the Peruvian Minister of Development and several other high officials in the Peruvian government.
- 2. According to source, the treaty contains a secret clause whereby, in the event of war, Peru would provide Argentina with 300,000 tons of coal a year and a certain amount of petroleum in exchange for Argentine wheat and oils. The Argentine Embassy in Peru had previously informed the Argentine government that Peru is not able to furnish Argentina with 300,000 tons of coal a year and that Peruvian production in 1951 would not exceed 100,000 tons even if the Santa Corporation railroad is repaired within the next three months.\* Colonel Castro was reportedly very interested in learning to what extent the Santa disaster would affect Peruvian coal deliveries to Argentina.
- 3. Colonel Castro has favored importing Peruvian coal to Argentina and mixing it with other coal for use in the Argentine transportation system. At the present time, Argentina relies heavily on Peruvian coal.

25X1A Comment. The recent flood disaster involving the Santa Corporation severely damaged the railroad to the coast, causing a further bottleneck in Peruvian coal production.

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